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Resolve to get financially fit in '09

People usually resolve to get more physically fit for the new year. But state Treasurer Dean Martin suggests you get financially fit as well.

He's come out with his guide for a financially fit 2009. The number one thing to do is spend less than you make. "It's the simplest, easiest way to solve your financial problems. It's don't spend more than you make. Even though the state Legislature and governor can't get this one right over the last couple of years. So, it's the most difficult to do, but the easiest way to solve your problems.

One way to do that is to re-examine things that you might think are essential. "Do you really need 10,000 minutes on your cell phone this year? Can you cut back a little bit and go with a plan that saves you 30 bucks a month? Or do you need to go out and get that morning coffee at four bucks a cup or can you pour it at home?"

"It's not that you have to do without anything, you just find a cheaper way to do the same things you're already doing."

And Martin says make sure you have at least three months of income socked away in an emergency fund. "In case of job loss, in case of medical emergencies, frankly what happens if the water heater goes out? Having money set aside for the rainy day is a good thing. And if you've got it now, build it up. Get it larger."

He says don't ignore your bills. Martin says when you miss just one payment, regardless of the dollar amount, it could scar your credit for up to two years.

If you're late on your payments, your interest rate - and you'r future payments - might go up. Of you do get behind, pick up the phone and call your creditors. "Banks and credit card companies and lenders, they're doing more than they've ever done in history to work with people who want to pay their bills but have special circumstances."

by Bob McClay/KTAR